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ABSTRACT

This paper addresses itself to the role of the federal government in financing higher education. It discusses the change in focus from institutional aid to student aid. In order to provide access to higher education that is compatible with movements toward social equality, the federal focus has shifted in the direction of student financial aid. Although Congress continues to fund three campus-based student aid programs, the keystone of the federal financial aid policy is the Basic Educational Opportunity Grant programs. The successes and problems of this grant program are described, and the steps taken to improve the management of the Guaranteed Student Loan Program are outlined. The speaker calls for greater coordination of effort at the state level between basic grants and such joint federal-state initiatives as the State Student Incentive Grant program. (Author/SJL)

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THE FEDERAL COMMITMENT TO HIGHER EDUCATION *

T. H. BELL

U.S. COMMISSIONER OF EDUCATION

IT'S A REAL PLEASURE TO ADDRESS THE 31ST ANNUAL CONFERENCE OF THE NATIONAL ASSOCIATION OF COLLEGE ADMISSIONS COUNSELORS, NOT ONLY BECAUSE YOU HAVE CHOSEN THE BEAUTIFUL CITY OF ATLANTA FOR YOUR MEETING BUT BECAUSE YOU ARE WHO YOU ARE.

NACAC MEMBERS HAVE ONE OF THE MOST CHALLENGING ROLES IN EDUCATION. YOU ARE CHARGED WITH GIVING STUDENTS THE ADVICE AND COUNSEL THAT EASE THEIR TRANSITION FROM HIGH SCHOOL TO POSTSECONDARY EDUCATION AND, IN SO DOING, YOU HELP TO SET THEIR LIFE COURSE. THIS IS A CRUCIAL RESPONSIBILITY BECAUSE YOU ARE INFLUENCING THE CHOICES THAT YOUNG PEOPLE ARE MAKING ABOUT THEIR CAREER, LIFE STYLE, AND INTELLECTUAL DEVELOPMENT. THE GUIDANCE AND COUNSELING PROFESSION HAS MADE GREAT STRIDES IN RECENT YEARS IN RESPONDING TO THE REAL CONCERNS OF STUDENTS AS THEY GO ABOUT MAKING THESE VITAL DECISIONS. SO THIS IS A MOST IMPORTANT AUDIENCE, AND I'M DELIGHTED TO BE YOUR SPEAKER.

IT'S ALSO A TREAT TO SHARE THE PLATFORM AND PROGRAM WITH DR. SIDNEY MARLAND. SID WAS MY BOSS DURING THE EARLY MONTHS OF HIS TENURE AS COMMISSIONER, AND IT WAS MY PLEASANT DUTY TO SWEAR HIM IN. SHORTLY AFTER THE SWEARING-IN CEREMONY, A MEMBER OF THE PRESS ASKED ME HOW I THOUGHT SID WOULD DO AS COMMISSIONER. I SAID I THOUGHT HE WAS A TOUGH OLD LOBSTER WHO WOULD FIND HIS WAY AROUND THE OCEAN DEPTHS OF POLITICAL LIFE IN WASHINGTON. THIS QUOTE APPEARED IN THE NEWSPAPERS BUT DIDN'T BETRAY ME

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AS THE SOURCE. HOWEVER, SID CAUGHT ON. SOMEONE ASKED HIM AT LUNCH ONE DAY WHO HAD CALLED HIM A TOUGH OLD LOBSTER. SID SAID HE WASN'T SURE, BUT IT REALLY SOUNDED LIKE TED BELL. MY PREDICTION THAT SID WOULD BE TOUGH ENOUGH TO HOLD HIS OWN PROVED TO BE CORRECT. AND NOW THAT I'VE BEEN SWIMMING IN THOSE SAME WATERS FOR 16 MONTHS, LET ME TELL YOU IT HELPS TO BE A LOBSTER½

MANY OF YOU ARE DIRECTLY INVOLVED IN HELPING STUDENTS PUT TOGETHER THE FINANCIAL AID PACKAGE THAT ENABLES THEM TO AFFORD COLLEGE OR OTHER POSTSECONDARY EDUCATION. FOR THIS REASON, SID AND I THOUGHT IT WOULD BE APPROPRIATE FOR ME TO TALK ABOUT THE FEDERAL FINANCIAL AID PICTURE, ABOUT WHAT IS BEING DONE TO IMPROVE EXISTING PROGRAMS, AND WHERE I SEE THE FEDERAL AID EMPHASIS BEING PLACED IN THE NEXT FEW YEARS. I'D ALSO LIKE TO COMMENT--MOST FAVORABLY--ON THE GROWING COMMITMENT OF STATES TO STUDENT FINANCIAL AID.

SINCE DR. MARLAND WILL RESPOND TO MY COMMENTS, AS ONE OLD LOBSTER TO ANOTHER, I WILL NOT GET US INTO THE TURBULENT WATERS SURROUNDING ONE OR TWO FINANCIAL AID ISSUES IN WHICH WE BOTH HAVE AN INTEREST BUT WHICH HAVE NOT YET BEEN RESOLVED.

IF I MAY BEGIN WITH A BROAD BRUSH, I'D LIKE TO SAY A WORD OR TWO ABOUT THE FEDERAL COMMITMENT TO HIGHER EDUCATION IN THE PAST DECADE. WHILE MUCH OF THE NATION SEEMS TO BE ON A NOSTALGIC SEARCH FOR THE "GOOD OL' DAYS," MEANING THE SIMPLE LIFE MANDATED BY THE DEPRESSION '30S, COLLEGE AND UNIVERSITY PEOPLE TEND TO REGARD THE "GOOD OL' DAYS" AS THE MIDDLE AND LATE '60S. THEY REMEMBER THAT ALMOST EVERY YEAR BROUGHT NEW FEDERAL PROGRAMS TO SUPPORT SUCH THINGS AS TEACHER TRAINING, BASIC RESEARCH, CONSTRUCTION, INSTITUTIONAL REFORM, CURRICULUM INNOVATION, LIBRARIES, AND INTERNATIONAL STUDIES. 3

FEDERAL FUNDS SEEMED READILY AVAILABLE FOR JUST ABOUT ANY PROJECT DIRECTOR WHO COULD SUBMIT A COHERENT PROPOSAL TO THE OFFICE OF EDUCATION. THERE WAS MORE TRUTH THAN FANCY IN THE CARTOON PARODY OF AN ADVERTISEMENT OF THE PERIOD. IT SHOWED A HUSBAND, SEATED COMFORTABLY BY THE FIRE, ASKING HIS WIFE AS SHE HEADED FOR THE KITCHEN, "AS LONG AS YOU'RE UP, WILL YOU GET ME A FEDERAL GRANT?"

MANY EDUCATORS APPEAR TO BELIEVE THAT HIGHER EDUCATION NO LONGER HAS A HIGH PRIORITY IN WASHINGTON. THIS IS SIMPLY NOT TRUE, AS SOME TELLING FIGURES DEMONSTRATE. THE OFFICE OF EDUCATION IN FISCAL YEAR 1966 ADMINISTERED $1 BILLION IN AID TO HIGHER EDUCATION. BY FISCAL 1974 THE FIGURE HAD ALMOST DOUBLED, TO $1.8 BILLION. THE CONGRESS APPROPRIATED $2.2 BILLION FOR 1975 AND UPPED THAT TO $2.4 BILLION FOR 1976. FROM $1 BILLION IN 1966 TO $2.4 BILLION A DECADE LATER IS AN INCREASE OF 140 PERCENT

TRUE, THESE FIGURES DON'T ALLOW FOR INFLATION. LET'S CRANK IN THE INFLATIONARY FACTOR AND SEE WHAT HAPPENS. IN THE PAST 10 YEARS THE CONSUMER PRICE INDEX HAS INCREASED BY 70 PERCENT. THIS MEANS WE WOULD HAVE NEEDED A 70 PERCENT INCREASE IN FEDERAL AID TO KEEP UP WITH THE RISING COST OF GOODS AND SERVICES--BUT TO MAKE NO REAL INCREASE IN THE FEDERAL CONTRIBUTION. INSTEAD, WE HAVE HAD A 140 PERCENT INCREASE. FEDERAL AID TO HIGHER EDUCATION HAS INCREASED TWICE AS MUCH AS THE CONSUMER PRICE INDEX. FROM A FEDERAL DOLLAR STANDPOINT, I WOULD SAY THE "GOOD OL' DAYS" FOR HIGHER EDUCATION ARE RIGHT NOW.

CERTAINLY THE FEDERAL FOCUS HAS CHANGED, AND I THINK RIGHTLY SO, FROM INSTITUTIONAL AID TO STUDENT AID. CONSTRUCTION OF NEW CLASSROOMS, CURRICULUM REFORM, TEACHER TRAINING, AND OTHER FEDERAL INITIATIVES IMPROVED THE QUALITY OF HIGHER EDUCATION IN THE 1960S, BUT THIS QUALITY PRODUCT WAS STILL AVAILABLE, BY AND LARGE, ONLY TO THE SAME STUDENTS WHO HAD BEEN ATTENDING COLLEGE SINCE WORLD WAR II, NAMELY, YOUNG PEOPLE FROM RELATIVELY AFFLUENT FAMILIES AND VETERANS ENROLLED UNDER THE GI BILL.

WITH THE CIVIL RIGHTS MOVEMENT AND LATER SIMILAR MOVEMENTS IN BEHALF OF NATIVE AMERICANS, SPANISH-SPEAKING AMERICANS, ORIENTAL-AMERICANS, WOMEN, AND OLDER CITIZENS, THE COUNTRY LET IT BE KNOWN IT DID NOT THINK THIS WAS THE WAY TO RUN THE HIGHER EDUCATION SYSTEM IN A DEMOCRATIC SOCIETY. IN NUMEROUS TEST CASES, STATE AND FEDERAL COURTS AGREED. STUDENTS ARE WHAT EDUCATION IS ALL ABOUT. DEMOCRACY MUST MAKE EDUCATION, INCLUDING A COLLEGE OR UNIVERSITY EDUCATION, EQUALLY AVAILABLE TO ALL CITIZENS WHO CAN BENEFIT FROM IT, REGARDLESS OF THEIR FINANCIAL NEED.

CONSEQUENTLY, THE FEDERAL FOCUS HAS SHIFTED DECIDELY IN THE DIRECTION OF STUDENT FINANCIAL AID. AT THE SAME TIME, I WOULD ARGUE THAT AID TO STUDENTS INDIRECTLY AIDS INSTITUTIONS. MANY COLLEGES AND UNIVERSITIES HAVE LONG HAD AN ENLIGHTENED POLICY TOWARD SCHOLARSHIP AID FOR NEEDY STUDENTS. MANY HAVE TRADITIONALLY EARMARKED A CONSIDERABLE PORTION OF THEIR ANNUAL OPERATING BUDGET TO SCHOLARSHIPS FOR YOUNG PEOPLE WHO COULD NOT OTHERWISE AFFORD AN EDUCATION BEYOND HIGH SCHOOL. TO THE EXTENT THAT FEDERAL, STATE, AND PRIVATE FINANCIAL AID PROGRAMS NOW PROVIDE STUDENT ASSISTANCE, MANY COLLEGES AND UNIVERSITIES ARE FREE TO DIVERT SOME OF THEIR SCHOLARSHIP FUNDS TO OTHER USES. I WOULD HOPE SOME OF THESE

INSTITUTIONAL FUNDS WOULD GO TOWARD SUPPORTING THE KINDS OF RESEARCH AND DEMONSTRATION PROJECTS, CURRICULUM DEVELOPMENT, AND OTHER ACTIVITIES THAT FEDERAL FUNDS SUPPORTED FIVE OR 10 YEARS AGO.

ALTHOUGH CONGRESS CONTINUES TO FUND THE THREE CAMPUS-BASED STUDENT AID PROGRAMS--COLLEGE WORK-STUDY, NATIONAL DIRECT STUDENT LOANS, AND SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS--THE KEYSTONE OF FEDERAL FINANCIAL AID POLICY IS NOW CLEARLY THE BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM. CONGRESS DESIGNED BASIC GRANTS SO THAT STUDENTS WOULD APPLY FOR THEM DIRECTLY TO THE OFFICE OF EDUCATION AND RECEIVE THEM DIRECTLY FROM THE OE RATHER THAN FROM THEIR COLLEGE. THE PURPOSE, OF COURSE, WAS TO GIVE STUDENTS PORTABLE FUNDS WHICH COULD BE USED AT THE VOCATIONAL SCHOOL, COLLEGE, OR UNIVERSITY OF THEIR CHOICE.

THE BASIC GRANTS PROGRAM IS ONLY TWO YEARS OLD. IT HAS HAD PROBLEMS, AS MOST NEW PROGRAMS DO, BUT IN OFFERING NON-REPAYABLE FUNDS TO THE NATION'S NEEDIEST STUDENTS, IT PROVIDES THE ACCESS TO HIGHER EDUCATION THAT IS COMPATIBLE WITH OUR NOTIONS ABOUT SOCIAL EQUALITY. AND I THINK BASIC GRANTS WILL REMAIN THE KEYSTONE OF FEDERAL AID POLICY FOR SOME TIME TO COME.

JUDGING FROM THE VOLUME OF APPLICATIONS ALREADY RECEIVED, THIS YEAR APPEARS TO BE THE YEAR IN WHICH BASIC GRANTS WILL FULFILL THEIR PROMISE. COMPARED WITH A TOTAL OF 600,000 GRANTS TO STUDENTS FOR ALL OF LAST YEAR, WE HAVE ALREADY CERTIFIED A MILLION STUDENTS AS ELIGIBLE, AND THE DEADLINE FOR THIS YEAR IS STILL FIVE MONTHS AWAY, MARCH 15, 1976.

APPLICATIONS ARE COMING IN AT THE RATE OF 35,000 A WEEK, WITH ABOUT 60 PERCENT OF ALL APPLICANTS BEING FOUND ELIGIBLE. AT THIS RATE WE EXPECT TO MAKE CLOSE TO A MILLION AWARDS THIS YEAR, COMPARED, AS I SAY, WITH 600,000 LAST YEAR. AND IF THE $660-MILLION FY 75 APPROPRIATION WE HAVE, PLUS $160 MILLION CARRYOVER FROM FY 74, PROVE INADEQUATE TO MEET DEMAND, WE ARE PREPARED TO CONSIDER A PETITION TO THE CONGRESS FOR A SUPPLEMENTAL APPROPRIATION.

PART OF THE GROWING STUDENT INTEREST IN BASIC GRANTS, I THINK, IS DUE TO TWO THINGS--FIRST, THE INCREASE IN THE MAXIMUM GRANT SIZE, FROM $1,050 LAST YEAR TO $1,400 THIS YEAR; SECOND, TO THE BROADENING OF ELIGIBILITY, FROM FRESHMEN ONLY IN 1973-74 TO FRESHMEN, SOPHOMORES, AND JUNIORS THIS YEAR. ALSO, STUDENTS ENROLLED ON AT LEAST A HALF-TIME BASIS ARE NOW ELIGIBLE. THEY USED TO HAVE TO BE ENROLLED FULL-TIME.

THE INCREASED RESPONSE CAN BE ATTRIBUTED IN PART ALSO, I THINK, DIRECTLY TO AN INTENSIVE PUBLIC INFORMATION EFFORT INITIATED BY THE OFFICE OF EDUCATION THIS PAST SUMMER. IT WAS CLEAR TO US WHEN WE HAD MONEY LEFT OVER LAST YEAR THAT MANY POTENTIALLY ELIGIBLE STUDENTS SIMPLY DIDN'T KNOW ABOUT THE PROGRAM. SO I ASKED THE OFFICE OF PUBLIC AFFAIRS, WORKING WITH THE BASIC GRANT PROGRAM MANAGERS, TO DEVELOP AN INFORMATION PROGRAM THAT WOULD REACH AND INFORM AS MANY POTENTIAL APPLICANTS AS POSSIBLE ABOUT THE AVAILABILITY OF BASIC GRANT ASSISTANCE.

I THINK THIS INFORMATION PROGRAM HAS NOW TOUCHED JUST ABOUT EVERY BASE. IT INCLUDES TV SPOTS, RADIO NETWORK PROGRAMS (INCLUDING SOME ON THE BLACK MUTUAL NETWORK, WHICH SERVICES 100 STATIONS WITH A PREDOMINATELY BLACK AUDIENCE), PRESS RELEASES TO COLLEGE AND HIGH SCHOOL NEWSPAPERS,

AND ARTICLES IN SUCH NATIONAL MAGAZINES AS PARADE, FAMILY CIRCLE, AND U.S. NEWS & WORLD REPORT. MEDIA COMMENTATORS, LIKE CARL ROWAN, HAVE HELPED TO SPREAD THE WORD. WE EVEN ASKED MEMBERS OF CONGRESS TO TELL THEIR CONSTITUENTS ABOUT BASIC GRANTS WHEN THEY WENT HOME FOR THE SUMMER RECESS. MOST RECENTLY, THE PRESTIGIOUS ADVERTISING COUNCIL HAS AGREED TO SPONSOR ON A NON-PROFIT BASIS A MAJOR MEDIA CAMPAIGN FOR BASIC GRANTS.

SECRETARY MATHEWS ANNOUNCED A COUPLE OF WEEKS AGO A DECISION THAT SHOULD ENCOURAGE COLLEGES AND UNIVERSITIES TO TAKE A MORE ACTIVE PART IN ACQUAINTING STUDENTS WITH BASIC GRANTS. STARTING THIS YEAR, THE PROGRAM WILL PROVIDE A $2-PER-STUDENT INFORMATION AND SERVICE ALLOWANCE TO INSTITUTIONS BASED ON THE NUMBER OF BASIC GRANT RECIPIENTS EACH ENROLLED IN THE PREVIOUS YEAR.

I BELIEVE WE HAVE TAKEN SOME MAJOR STEPS THAT NEEDED TO BE TAKEN TO MAKE THE PROGRAM BETTER KNOWN, TO MAKE IT FINANCIALLY ATTRACTIVE TO STUDENTS, AND TO ENCOURAGE INTEREST ON THE PART OF THE HIGHER EDUCATION COMMUNITY. HOWEVER, I WOULD CERTAINLY BE INTERESTED IN KNOWING ABOUT OTHER REFINEMENTS THAT YOU FEEL ARE NEEDED. MANY OF YOU ARE DIRECTLY RESPONSIBLE FOR PUTTING TOGETHER STUDENT FINANCIAL AID PACKAGES, DRAWING ON BASIC GRANTS, THE CAMPUS-BASED PROGRAMS, THE GUARANTEED STUDENT LOAN PROGRAM, AND OTHER SOURCES OF FUNDING. YOU KNOW BETTER THAN DO WE IN WASHINGTON WHERE THE FLAWS ARE. AND WE NEED YOUR EXPERTISE IN CORRECTING THEM.

LET ME ALSO MENTION SOME STEPS WE HAVE TAKEN TO IMPROVE THE MANAGEMENT AND ACCOUNTABILITY OF THE GUARANTEED STUDENT LOAN PROGRAM. NEEDLESS TO SAY, THOSE RESPONSIBLE FOR GSLP--THE CONGRESS, THE OFFICE OF EDUCATION, AND LENDING INSTITUTIONS--HAVE BECOME GRAVELY CONCERNED IN THE PAST TWO YEARS OR SO ABOUT THE SUBSTANTIAL INCREASE IN THE STUDENT DEFAULT RATE ON LOAN REPAYMENT. I'M SURE THE HIGHER EDUCATION COMMUNITY IS ALSO SERIOUSLY CONCERNED, SINCE THESE LOANS HELP A MILLION STUDENTS A YEAR GO ON TO POSTSECONDARY EDUCATION. I CAN CERTIFY THAT THE CONGRESS IS DISTURBED ABOUT THE FREQUENCY WITH WHICH WE HAVE BEEN ASKING FOR SUPPLEMENTAL APPROPRIATIONS TO COVER THE SPIRALING STUDENT DEFAULTS.

THE VAST MAJORITY OF STUDENTS--MORE THAN 80 PERCENT, IN FACT--DO BEGIN LOAN REPAYMENT WHEN IT IS REQUIRED. THEY RECOGNIZE THEIR LEGAL AND MORAL OBLIGATION TO DO SO. BUT A SIGNIFICANT MINORITY OF STUDENTS DO NOT. TO PROTECT THE INTEGRITY OF THE PROGRAM FOR THE MILLIONS OF YOUNG PEOPLE WHO WILL WANT GSL ASSISTANCE IN FUTURE YEARS, WE HAVE SUBSTANTIALLY INCREASED THE LOAN COLLECTION EFFORT. IN FISCAL YEAR 1974 WE HAD ONLY 26 COLLECTION OFFICERS IN ALL 10 REGIONAL OFFICES COMBINED. TODAY THE COLLECTION STAFF HAS BEEN INCREASED TO 135. THIS EFFORT APPEARS TO BE PAYING OFF. I AM HAPPY TO REPORT THAT OUR LOAN COLLECTIONS HAVE INCREASED 82 PERCENT THE PAST YEAR.

IN TALKING WITH DEFAULTING BORROWERS, OUR COLLECTION OFFICERS HAVE FOUND TIME AND AGAIN THAT THEY DROPPED OUT OF COLLEGE OR VOCATIONAL SCHOOL AND MADE LITTLE EFFORT TO REPAY THEIR LOAN BECAUSE THEY FELT THEY HADN'T RECEIVED THE EDUCATION OR THE JOB SKILL AND JOB PLACEMENT THAT HAD BEEN PROMISED. IN MANY INSTANCES THE LEARNING INSTITUTION ITSELF HAD BEEN

NEGLIGENT, AND IN A FEW CASES DELIBERATELY DECEPTIVE, IN NOT FULLY ACQUAINTING STUDENTS WITH COURSE OFFERINGS, REFUND POLICIES, AND JOB PLACEMENT SERVICES. LAST APRIL WE ESTABLISHED MORE STRINGENT REGULATIONS FOR INSTITUTIONAL PARTICIPATION IN THE GSL PROGRAM. IN EFFECT, INSTITUTIONS THAT PURPOSELY MISLEAD STUDENTS, OR LACK STAFF AND RESOURCES TO DELIVER WHAT THEY PROMISE, WILL BE BARRED FROM GSL PARTICIPATION.

IN STILL ANOTHER EFFORT TO IMPROVE GSL PROGRAM MANAGEMENT, WE ARE PILOT TESTING IN CALIFORNIA A SOPHISTICATED COMPUTER SYSTEM THAT WILL, WHEN OPERATIONAL, ENABLE US TO TRACK AND CONTROL EACH INDIVIDUAL LOAN ACCOUNT. THIS CENTRAL SYSTEM IS DESIGNED TO GIVE OE VERIFIED INFORMATION ON THE STATUS OF EACH LOAN.

I REALIZE THAT, BECAUSE THE PEOPLE WHO PROGRAM THEM ARE NOT INFALLIBLE, COMPUTERS ARE NOT INFALLIBLE EITHER. AT THE END OF REALLY ROUGH DAYS AT THE OFFICE, I FREQUENTLY PICK UP A COPY OF THE SATURDAY REVIEW AND FLIP TO THE CLASSIFIED ADS, WHERE I FIND A SOURCE OF LAUGHTER THAT SELDOM FAILS. SOME MONTHS AGO THIS DISTINGUISHED LITERARY MAGAZINE BEGAN RUNNING A SERIES OF SMALL ADS UNDER THE HEADING "COMPUTER-ERROR MERCHANDISE." IF YOU THINK EDUCATION HAS PROBLEMS, TRY THESE:

-- MANUFACTURER WOULD LIKE TO SELL SEVERAL HUNDRED BICYCLES WITH HANDLEBARS FORE AND AFT PRODUCED BY COMPUTER ERROR.

-- DESPERATELY EAGER TO DISPOSE OF SEVERAL HUNDRED PLASTIC SHAMPOO BOTTLES MISTAKENLY FILLED WITH VICHYSSOISE AS RESULT OF COMPUTER WHOPPER.

-- PROGRAMMING ERROR RESULTS IN OUR HAVING 38,000 COPIES OF MEIN KAMPF, IN POLISH, MINUS VOWELS. BEST OFFER.

MY POINT, OBVIOUSLY, IS THAT COMPUTERIZING RECORDS IS NOT IN ITSELF GOING TO SOLVE THE GSL INTEGRITY PROBLEM. COMPUTERS CAN'T GIVE STUDENTS THE SENSE OF OBLIGATION NEEDED TO MEET LOAN REPAYMENT SCHEDULES. COMPUTERS ARE NO MATCH FOR THE FEW BAD APPLES AMONG VOCATIONAL SCHOOLS TRYING TO ATTRACT STUDENTS FOR THEIR GSL LOAN MONEY OR COLLEGES TRYING TO FILL CLASSROOMS FOR THE SAME REASON. COMPUTERS CAN'T CONVINCE LENDERS THAT GSL IS A VIABLE PROGRAM THAT NEEDS THEIR SUPPORT. SO THIS IS SOMETHING WE NEED TO WORK ON TOGETHER. I THINK WE CAN. I THINK WE WILL.

LOOKING AHEAD, I THINK THE ADMINISTRATION WILL CONTINUE TO STRESS STUDENT AID AS THE APPROPRIATE FEDERAL RESPONSE TO THE NATION'S EFFORT TO PROVIDE FAIR AND EQUAL ACCESS TO HIGHER EDUCATION FOR EVERY AMERICAN. I AM CONFIDENT, AS I MENTIONED EARLIER, THAT BASIC GRANTS WILL REMAIN AT THE CENTER OF THIS COMMITMENT.

STILL, I HOPE TO SEE A GREATER COORDINATION OF EFFORT AT THE STATE LEVEL BETWEEN BASIC GRANTS AND SUCH JOINT FEDERAL-STATE INITIATIVES AS THE STATE STUDENT INCENTIVE GRANT PROGRAM. THIS FEDERAL-STATE MATCHING FUND PROGRAM, ADMINISTERED BY A SINGLE AGENCY IN EACH STATE, HAS ENCOURAGED A NUMBER OF STATES TO BEGIN OR TO INCREASE THEIR OWN SCHOLARSHIP AID TO NEEDY STUDENTS.

WHILE SMALL, FEDERAL FUNDS MADE AVAILABLE UNDER THE STATE STUDENT INCENTIVE GRANT PROGRAM HAVE HELPED TO ESTABLISH AN EFFECTIVE DELIVERY SYSTEM IN ALL BUT THREE OR FOUR STATES. A DECADE AGO ONLY 12 STATES HAD STUDENT ASSISTANCE PROGRAMS. IN TOTAL, STATE PROGRAMS NOW PROVIDE CLOSE TO HALF A BILLION DOLLARS IN STUDENT AID. THROUGH THEM, SOME 800,000 STUDENTS GET FINANCIAL HELP.

I BELIEVE WE ARE ON THE RIGHT TRACK. I BELIEVE FEDERAL AND STATE DOLLARS ARE SERVING HIGHER EDUCATION IN THE RIGHT WAY BECAUSE THEY ARE DIRECTLY SERVING STUDENTS. AND I'M SURE THAT YOU WHO DEAL EVERY DAY WITH INDIVIDUAL STUDENT AID PROBLEMS WILL CONTINUE TO FIND WAYS TO MAKE THE RIGHT WAY EVEN BETTER.

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